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28 July 1961

MEMORANDUM FOR: Mr. Eugene L. Pahl

SUBJECT: Responsibilities for Production of the  
National Intelligence Surveys

REFERENCE: Draft Report on Review of Selected Activities  
of the Central Intelligence Agency, January  
1961, by the Comptroller General of the  
United States

1. At our meeting in Mr. Robert F. Keller's office on 8 June 1961, we agreed that the Agency would submit a memorandum covering points raised by you in the referenced report. The specific items concerned reimbursement by this Agency for work done by the Department of State on the National Intelligence Surveys (NIS) and Biographic Intelligence (BI).

2. To place the problem in perspective, the concept of the over-all governmental intelligence structure should be kept in mind. It has unique aspects in that the intelligence components outside of the Central Intelligence Agency are integral parts of their respective departments and agencies and yet in the field of intelligence they must function on a coordinated basis to form a close-knit team.

3. The basic responsibility to advise and recommend to the National Security Council on the coordination of intelligence is placed in the Agency by section 102(d) of the National Security Act of 1947, and subsection (3) of that section specifically places on the Agency the responsibility to correlate and evaluate intelligence relating to the national security and provide for the appropriate dissemination of such intelligence within the Government "using where appropriate existing agencies and facilities. . . ."

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NIS and BI are by definition intelligence relating to the national security. Their preparation and dissemination are, therefore, basically the responsibility of the Central Intelligence Agency.

4. The NIS, because of their encyclopedic nature, require multitudinous contributions, many of which are covered to one degree or another in normal departmental intelligence output or in other papers, reports, or studies done by various portions of the Government, some not directly related to the intelligence community. It would obviously be inefficient for the Central Intelligence Agency to set up a staff which could duplicate the output that is already required from these other outside staffs. In some cases, these outside contributions need only some final editing to be satisfactory for NIS purposes. In others, there must be substantial analysis and evaluation before they are suitable, and the question arises of where such work can be most efficiently performed and who shall bear the financial burden. In certain cases where a department or agency has basic competence in the field of a particular contribution but must go to additional expense to make the contribution responsive to NIS needs, the Central Intelligence Agency may be responsible for compensating for such additional expense. In others, the NIS contribution is compatible with departmental requirements and priorities so no question of reimbursement arises. In all cases, however, it is the basic responsibility of the Central Intelligence Agency to see that the contributions are forthcoming and in satisfactory form, and the Agency has the further duty to see that the completed NIS studies are kept current and are given appropriate dissemination.

5. Obviously, some portions of the NIS studies will be more troublesome than others and involve larger permanent staffs and, therefore, greater continuing costs. Also, changing requirements and capabilities make it necessary that the system be flexible so that requirements can be met in the most efficient manner.

6. The need for a flexible team concept in this area was recognized by the National Security Council in its Intelligence Directive No. 3, entitled "Coordination of Intelligence Production." In recognition of the Agency's statutory responsibility for correlation and evaluation of intelligence relating to national security, paragraph 1. d. puts the responsibility on the Central Intelligence Agency for coordinating production and maintenance and accomplishing the review, publication, and dissemination of the NIS. In further recognition of the statutory directive to use existing

agencies and facilities where appropriate, the Directive provides in subparagraphs d. and e. of paragraph 1. that other departments and agencies of the Government may be called on for contributions.

7. In order to give guidance to the intelligence community, paragraph 7. does allocate responsibilities in certain spheres to certain agencies, and in subparagraph 7.a. particularly states that the Department of State shall produce political and sociological intelligence on all countries and economic intelligence on countries outside the Sino-Soviet Bloc. However, these assignments are subject to refinements through a continuous program of coordination and evaluation by the Director of Central Intelligence (paragraph 7.), and it, therefore, appears that the National Security Council clearly recognized that the basic responsibility for the NIS rests in a team composed of the intelligence community with the Central Intelligence Agency as the focal point.

8. The practical demonstration of this theory is given in the present assignment to the Central Intelligence Agency of the allocation formerly given to the Department of State in paragraph 7.a. based on economy and an over-all saving in personnel in the Executive Branch. We do not believe, therefore, that the provisions of paragraph 7. of NSCID No. 3 are inconsistent with the basic statutory responsibility of the Agency in the production of national intelligence or that they preclude reimbursement by the Central Intelligence Agency of the whole or a portion of the costs incurred in the preparation by other agencies of contributions to the NIS. This position is further supported by the actions of the Appropriations Committees involved, which are known to you.



LAWRENCE R. HOUSTON  
General Counsel

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